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SUMMARY

The Federal Communications Commission (“Commission”) must, without delay, overturn the recent unsubstantiated and unjustified denials of appeals and E-rate funding for the captioned Applications (“FCC Form 470”) involving Paden Public Schools (“Paden”) and Maud Independent School District 117 (“Maud”) (collectively, the “Schools”) and United Systems, Inc. (“United Systems”). Without legal justification and evidentiary support, the Schools and Libraries Division (“SLD”) of the Universal Service Administrative Company (“USAC”) has improperly employed an IP address matching investigative technique to draw unfounded conclusions in fact and in law.

Specifically, USAC (1) improperly exceeded its authority by engaging in policymaking and investigatory techniques that go well beyond the review and processing of applications for compliance with Commission laws and regulations, (2) failed to provide record evidence that United Systems was improperly involved in the competitive bid process; (3) failed to provide due process to the Schools and to the service providers; (4) failed to prove a commission rule violation; and (5) failed to carry its burden of proving a competitive bid violation pursuant to Commission Orders. Also, the mere act of filing a FCC Form 470 is clerical in nature and does not *per se* equate to a Commission rule violation or competitive bidding violation. The Schools and United Systems must now rely on the Commission to provide the relief that is justified and due.

Because USAC has exceeded its authority, failed to meet its burden of examining the evidence and cited no rule violation, the Commission should overturn USAC’s denial of the funding requests of the Schools and direct USAC to grant the funding. As this Consolidated Appeal and the record demonstrates, USAC’s implementation of a controversial and flawed screening methodology, to the exclusion of clear contradictory record evidence that the Schools

adhered to the core program requirements, has resulted in an improper basis for USAC's denial of funding to the Schools. The Schools are fully entitled to the funding that is due to them as requested in their Applications. We respectfully request the Commission to overturn USAC and grant the funding that was requested by these Schools for E-rate funding year 2005.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)

Consolidated Request for Review of)
Decisions of the Universal Service)
Administrator)

CC Docket No. 02-6

Paden Public Schools)

File No. SLD-472668 (FY2005)
SLD-472766 (FY2005)

Maud Independent School District 117)

File No. SLD-475214 (FY2005)

To: The Commission

CONSOLIDATED REQUEST FOR REVIEW

Applicants Paden Public Schools ("Paden") and Maud Independent School District 117 ("Maud") (collectively, the "Schools") and their service provider United Systems, Inc. ("United Systems") through counsel and pursuant to Section 54.719(c) of the Commission's rules,¹ hereby submit this Consolidated Request for Review ("Consolidated Appeal") seeking reversal of the decisions of the Administrator of the Universal Service Administrative Company ("USAC"), issued on November 15, 2006, denying the Schools' appeals and associated funding requests for the Schools and Libraries Universal Service Program ("E-rate Program") for funding year 2005 (collectively, the "Applications").

¹ 47 C.F.R. § 54.719(c).

We respectfully request the Commission to expeditiously overturn USAC's decisions and grant the funding requests of the Schools that have been denied without basis in law or fact. As this Consolidated Appeal demonstrates, USAC (1) improperly exceeded its authority by engaging in policymaking and investigatory techniques that go well beyond the review and processing of applications for compliance with Commission laws and regulations, (2) failed to provide record evidence that United Systems was improperly involved in the competitive bid process; (3) failed to provide due process to the Schools and to the service providers; (4) failed to prove a commission rule violation; and (5) failed to carry its burden of proving a competitive bid violation pursuant to Commission Orders. Also, the mere act of filing a FCC Form 470 is clerical in nature and does not *per se* equate to a Commission rule violation or competitive bidding violation. USAC's implementation of a controversial and flawed screening methodology, to the exclusion of clear contradictory record evidence that the Schools adhered to the core E-rate Program requirements, has resulted in an improper basis for USAC's denial of funding to the Schools.

STATEMENT OF FACTS

This Consolidated Appeal arises from prior appeals filed by the Schools challenging the improper denial of E-rate funding to the Schools in 2005. On March 8, 2006, the SLD issued the original Funding Commitment Decision Letters ("FCDLs") denying the Schools funding requests,² alleging that the Schools had committed a bidding violation because:

The 470 was submitted from an IP address that was also used to submit a service provider (SP) invoice, indicating SP involvement in the 470. Applicants cannot

² For a full recitation of the pertinent application numbers, FRN numbers and funding years that are at issue, please see Administrative Record United Systems Consolidated Appeal for Paden Public Schools and Maud Independent School District 117 ("AR") at AR00001. The relevant portions of the FCC Form 471s which identify all of the School's service providers, including United Systems, are set forth at AR00002-11.

abrogate their responsibility for conducting a fair & open competitive bidding process free from SP involvement.³

USAC, however, in its FCDL denials, failed to both identify the IP address match and the service provider. By reaching this unsubstantiated and vague conclusion, the applicants and all service providers⁴ associated with the applicable FCC Form 471s were left in essence to guess and decipher the meaning of USAC's denial.

The Schools appealed that denial decision.⁵ The Authorized School Representative for Paden, Keith Kincade, explained that the former Superintendent of its school district, Jon Dotson, submitted the FCC Form 470 from his computer.⁶ In fact, Mr. Kincade made a concerted effort to locate Mr. Dotson and request a statement directly from him verifying the veracity of his statements. Mr. Dotson's statement declared:

I personally, without interference or influence from any party submitted the Form 470. No invoice was submitted from any service provider on my school computer during my tenure as Superintendent. (7/01/02-6/30/05).⁷

Mr. Kincade also requested USAC to identify the IP address and the date and time that USAC believed the FCC Form 470 was submitted so that Paden could investigate the allegation.⁸ No

³ AR00012-16 (Paden); AR00017-21 (Maud).

⁴ USAC denied all FRNs for both schools that included telecommunications, Internet access and internal connections and left not only United Systems, but also NTS Communications, OneNet, and Novell, Inc. without E-rate funding.

⁵ AR00022-23 (Paden submitted its appeal to USAC on April 12, 2006); AR00024-25 (Maud submitted its appeal to USAC on May 4, 2006).

⁶ AR00022.

⁷ AR00023.

⁸ AR00022. Specifically, Paden claimed "[w]e are confused as to the cause of these denials and wish to have this decision reviewed and overturned. Furthermore, we want to know the IP address, date and time that you show our application was submitted from so that we can perform some confirmation on our side. There is no way that a service provider should have been able to submit our form 470 and in this age of

record evidence as to the identity of the alleged matching IP address was ever proffered by USAC.

Similarly, the Authorized School Representative for Maud, J.E. Pryor, fully explained that for all E-rate years, its FCC Form 470 was “submitted from the same computer location, by the same person, Judy McGee, in our District Administration office.”⁹ In sum, the Schools identified their employees who had submitted the FCC Form 470s and identified the location of the computers used in submitting the FCC Form 470s to USAC.

USAC waited six months before clarifying its original FCDL denial decisions even though USAC must have already been in possession of this “information” in reaching the original denial. On September 18, 2006 and October 9, 2006, respectively, USAC sent letters to the Schools alleging that the IP address from which the FCC Form 470s were submitted to USAC was the same IP address from which one of the Schools’ service providers, namely, United Systems, submitted its Service Provider Invoices (FCC Forms 474).¹⁰ Clearly USAC failed to consider the information filed in the Schools’ appeals because, the letters sent by USAC sought the same information that had previously been addressed by both Schools five months earlier. Specifically, USAC sought the following information:

- (1) Please provide the name and title and employer of the individual who filled out and submitted [the FCC Form 470]. Please also provide that individual’s contact information.

internet hacking, not to mention errors created by technology, we want to understand where this information is coming from.”

⁹ AR00024. Specifically, Maud claimed “[w]e do not understand the basis for this denial. Our Form 470 Application for all E-rate years has been submitted . . .”

¹⁰ AR00026-27 (Letter from Pamela Tyler to Keith Kincade); AR00028- 29 (Letter from Kippy Piedici to J.E. Pryor).

(2) Please provide the specific location from which [the FCC Form 470] was filed and submitted.

(3) If a Service Provider employee assisted in the filling out and/or submitting [the FCC Form 470], please provide the name and title of the Service Provider's employee and describe the assistance. Please also provide that individual's contact information.

(4) Please explain the reason for the IP address match. You may wish to work with your Internet Service Provider to help provide the explanation. Please provide documentation in support of your response.¹¹

Again, the Schools provided complete answers to each question and remained confused and perplexed as to the issue of the IP address match.¹² With respect to their responses to questions 1-3, the Authorized School Representatives again identified the individuals who filled out and submitted the FCC Form 470s and the location of the computers that were used to electronically transmit the FCC Form 470s to USAC, and unequivocally reiterated that no service provider assisted in filling out or submitting the FCC Form 470s.¹³

With respect to question 4, the Authorized School Representative for Maud submitted a letter to USAC from one of its service providers, United Systems, which stated:

Since we knew the Schools filed their Form 470s, which made [USAC's] accusation physically impossible, we searched for possible legitimate causes of this condition. United Systems, Inc., uses OneNet as our Internet Service Provider (ISP) and OneNet services many of our customers, including Maud Public Schools. As with most ISPs, OneNet has standard ranges of public IP addresses for their customers. This could create similarities between our IP address and our customer's IP address.¹⁴

¹¹ *Id.*

¹² AR00030-33 (Response of D. Keith Kincade, dated Sept. 25, 2006 to Pamela Tyler; AR00034-36 (Response of J.E. Pryor, dated Oct. 17, 2006 to Kippy Piedici).

¹³ AR00030-31; AR00034.

¹⁴ AR00035.

United Systems further stated that OneNet questioned whether USAC could track the actual IP address associated with the submissions of FCC Form 470s. Specifically, Alvin Myers, President and COO, of United Systems requested an explanation from OneNet's Director of Network Operations, Bill Johnson, as to whether such an IP address matching used by USAC was technically feasible and accurate.¹⁵ Mr. Johnson stated that it would be impossible to track the originating IP addresses in the manner that the SLD was attempting with 100% accuracy because of caching and acceleration devices in place through the Internet.¹⁶

The Authorized School Representative for Maud Public Schools also provided USAC with copies of (1) an e-mail correspondence from Alvin Myers (United Systems) to Dolores Kibbler that identifies OneNet as United System's ISP; (2) e-mail correspondence from Bill Johnson to Dolores Kibbler explaining that OneNet provides Internet services for several hundred schools in Oklahoma, each assigned some number of IP address, most beginning with 164.58.xxx.xxx or 156.110.xxx.xxx; and (3) e-mail correspondence from Bill Johnson to Alvin Myers that Ms. Kibbler had indicated that "some automatic system is indicating the same IP is being indicated when different IPs were expected."¹⁷ The Authorized School Representative for Paden similarly responded that it used OneNet, the same ISP as used by United Systems, but, otherwise, had no explanation for the IP address match alleged by USAC.¹⁸

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ AR00036.

¹⁸ AR00030.

On November 15, 2006, USAC issued Administrator's Decision on Appeal Letters ("ADLs") to both Paden and Maud. USAC, however, failed to provide similar notice to the service provider, United Systems. With respect to the Paden ADL, USAC found:

- Upon review of the appeal letter, the relevant facts and documentation, it was determined that the establishing Form 470 Number 475710000534753 for these requests was submitted from an IP Address that United Systems, Inc. used to submit a service provider invoice to USAC. United Systems, Inc. was also selected as a vendor on your District's Form 471 Number 472766 FRNs 1302660 and 1302690. The establishing 470 for both FRNs awarded to United Systems, Inc. is also Form 470 Number 475710000534753. In accordance with the rules of the Support Mechanism, this is considered to be a conflict of interest and is in violation of the competitive bidding guidelines. On appeal, you were requested to provide documentation including an explanation for the IP address match. On September 25, 2006, you responded that Paden Public Schools, Universal Systems and One-Net, the Internet Service Provider, had no explanation for the IP address match.
- As is noted on the USAC website, applicants may not delegate the competitive evaluation role to anyone associated with a service provider. A "Fair" competition means that "all bidders are treated the same, and that no bidder has advance knowledge of the information contained in the RFP." Applicants and services providers should not have a relationship prior to competitive bidding "that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow them to unfairly compete in any way." A service provider, who will participate in the competitive process as a bidder, cannot complete the Form 470. The above findings indicate that the vendor was improperly involved in the competitive bidding process, which is a violation of the rules of this Support Mechanism. You have failed to provide evidence on appeal that USAC erred in its original decision. Consequently, your decision is denied.¹⁹

With respect to Maud ADL, USAC found:

- The Form 470 was submitted from an IP address that was also used to submit a Service Provider (SP) invoice, indicating SP involvement in the Form 470. On October 9, 2006, the applicant was asked to provide details for the submission of the establishing Form 470 Number 548810000532934 for FRN 1310797. On October 17, 2006, the applicant provided the name and location of the person submitting the referenced Form 470 and indicated that there was no Service Provider involvement in the filing or submission of that form. However, the applicant failed to provide an explanation for the IP address match between the referenced Form 470 and Service Provider Invoices submitted by United Systems (SPIN 143004698). Applicants cannot abrogate their responsibility for

¹⁹ AR00037-39.

conducting a fair and open competitive bidding process free from SP involvement. Therefore, the appeal for FRN 1310797 is denied.²⁰

STANDARD OF REVIEW

It is the Commission, not USAC, who has been delegated the authority by Congress to make rules and set policy for USAC and the administration of all of its Support Mechanisms, including the E-rate Program. The Commission appointed USAC to administer the schools and libraries universal service support mechanism in 1998. USAC's authority to administer the E-Rate Program is limited to implementing and applying the Commission's Part 54 rules and the Commission's interpretations of those rules as found in agency adjudications.²¹ USAC is not empowered to make policy, interpret any unclear rule promulgated by the Commission²² or to create the equivalent of new guidelines.²³ USAC is responsible for "administering the universal support mechanisms in an efficient, effective, and competitively neutral manner."²⁴ Furthermore, USAC may not be impervious to any record fact.²⁵

²⁰ AR00040-41.

²¹ 47 C.F.R. § 54.702(c).

²² *Id.*

²³ *Changes to the Board of Directors of the Nat'l Exchange Carrier Ass'n, Inc.*, Third Report and Order, 13 FCC Rcd 25058, 25066-67 (1998).

²⁴ 47 C.F.R. § 54.701(a).

²⁵ The test for disqualification of an administrator from an adjudicatory proceeding on grounds of bias or the appearance of bias is whether the arbiter has "demonstrably made up [his or her] mind about important and specific factual questions and [is] impervious to contrary evidence." *United Steelworkers of America v. Marshall*, 647 F.2d 1189, 1209, 208 U.S. App. D.C. 60 (D.C. Cir. 1980), *cert. denied*, 453 U.S. 913 (1981). *See also Lead Indus. Ass'n v. EPA*, 647 F.2d 1130, 1178 (D.C. Cir. 1980) (It must be shown that the arbiter is not "capable of judging a particular controversy fairly on the basis of its own circumstances." *Hortonville Joint Sch. Dist. No. 1 v. Hortonville Educ. Ass'n*, 426 U.S. 482, 493, 96 S. Ct. 2308, 2314, 49 L. Ed. 2d 1 (1976), *quoting United States v. Morgan*, 313 U.S. 409, 421, 61 S. Ct. 999, 1004, 85 L. Ed. 1429 (1941)).

Section 706 of the Federal Administrative Procedure Act (“APA”) requires agency action to be set aside if such action is “arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law.”²⁶ Under this standard, “the agency must examine the relevant data and articulate a satisfactory explanation for its action including a ‘rational connection between the facts found and the choice made.’”²⁷ Review under this standard must be “searching and careful”²⁸ and must “assure that the agency has given reasoned consideration to all the material facts and issues. This calls for insistence that the agency articulate with reasonable clarity its reasons for decision, and identify the significance of the crucial facts.”²⁹

The Administrative Procedure Act³⁰ was adopted so that administrative policies affecting individual rights and obligations would be promulgated pursuant to certain stated procedures so as to avoid inherently arbitrary nature of unpublished ad hoc determinations.³¹ The FCC has authorized USAC to make administrative decisions regarding Schools and Libraries funding commitments and disbursements.³² Administrative decisions by USAC affect applicants and service providers. USAC is required to “articulate a rational connection between the facts found

²⁶ 5 U.S.C. § 706(2)(a).

²⁷ *Motor Vehicle Mfrs. Ass’n v. State Farm Mutual Auto Ins. Co.*, 463 U.S. 29, 43 (1983)(quoting *Burlington Truck Lines, Inc. v. United States*, 371 U.S. 156, 168 (1962)); *Earthlink, Inc. v. FCC*, 462 F.3d 1, 9 (D.C. Cir. 2006).

²⁸ *Citizens to Preserve Overton Park, Inc. v. Volpe*, 401 U.S. 402, 416 (1971).

²⁹ *Greater Boston Television Corp. v. FCC*, 444 F.2d 841, 851 (D.C. Cir. 1970).

³⁰ 5 U.S.C. §§ 551 *et seq.*

³¹ *Morton v. Ruiz*, 415 US 199 (1974).

³² 47 U.S.C. §§ 54.719 – 54.725.

and the choice made” when reaching a final funding decision.³³ The Commission may overturn an administrative decision by USAC where it finds that USAC acted in an arbitrary and capricious manner.³⁴

ARGUMENT

I. USAC EXCEEDED ITS AUTHORITY IN CONSTRUCTING A DENIAL REASON HAVING NO BASIS IN FACT AND LAW

The Administrator exceeded its authority in this case by imposing its own expanded interpretation of Commission precedent on the Schools and United Systems and creating new guidelines that extend beyond the Commission’s requirements for an open and fair competitive bid process. Moreover, USAC exceeded its authority and acted in an arbitrary and capricious manner by using a secretive investigative screening methodology that would appear to be more appropriately deployed by law enforcement agencies with federal subpoena powers.³⁵ Finally, USAC acted in an arbitrary and capricious manner by (1) failing to provide due process to both the applicants and service providers in not providing any factual evidence to support their finding and in not providing United Systems with notice of the denial decisions, (2) failing to cite to any

³³ *Motor Vehicle Mfrs. Ass’n v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983) (internal quotation marks omitted).

³⁴ See, *Request for Review of the Decision of the Universal Service Administrative Company by Laurel Hall School Hagerstown*, Order, 16 FCC Rcd 7762, 7766 ¶9 (CCB 2001) (finding that the SLD did not act in an arbitrary and capricious manner); *Request for Review of a Decision of the Universal Service Administrative Company by Tallulah Academy-Delta Christian School*, Order, 17 FCC Rcd 4126 ¶10 (CCB 2002) (determining that the SLD did not apply its rules in an arbitrary and capricious manner).

³⁵ Neither Congress nor the Commission contemplated that USAC would engage in law enforcement type of activities in administering the Commission’s rules. However, this is exactly the path that USAC has taken in creating a separate “law enforcement type” group in its former special investigations unit, now known as the special compliance unit. USAC through its contractor has hired former law enforcement officers to make site visits around the country under the guise of federal officials even though they are employees of a non-federal agency. Such matters and types of investigations would appear to be better left to more appropriate authorities such as USAC’s Internal Audit Division, the Commission’s Office of Inspector General, or the United States Department of Justice.

Commission Rule or Order violation, and (3) ignoring the record evidence provided by the Schools and United Systems.³⁶

II. USAC FAILED TO PROVIDE RECORD EVIDENCE THAT UNITED SYSTEMS WAS IMPROPERLY INVOLVED IN THE COMPETITIVE BID PROCESS AND FAILED TO PROVIDE DUE PROCESS TO THE SCHOOLS AND SERVICE PROVIDERS

Contrary to USAC's denial justification, in its ADL issued to Maud, USAC expressly makes a factual finding that Maud provided USAC the name and location of the person submitting the FCC Form 470 and that Maud affirmatively denied service provider involvement in the filing or submission of the FCC Form 470.³⁷ Furthermore, USAC reached its decision (1) without providing any record evidence of any specific IP address match, (2) without evidencing previous conversations that it had with OneNet about the technical nature of identifying IP addresses, and (3) without citing any specific Commission rule or policy violation or any other federal, state or local rule violation.³⁸ In sum, USAC based its denials on one single finding, namely that Maud and Paden both failed to provide an explanation for the IP address match, which, in turn, indicated improper service provider involvement in the competitive bidding process. These findings completely disregard the facts in the record and are based upon pure conjecture. Neither the Schools nor United Systems should be required to prove a negative based upon veiled information.

³⁶ This is not the first time that an appeal has been filed with the Commission because USAC used an IP address match justification to deny funding (1) without providing any factual evidence to support its finding and (2) ignoring contrary record evidence that the service provider did not participate in the preparation or submission of the FCC Form 470. *See Request for Review by Belfonte School District 50 of Administrator's Decision on Appeal*, CC Docket No. 02-6 (filed Nov. 22 2006).

³⁷ AR00040.

³⁸ A decision that is not supported by substantial evidence or where the agency has made a clear error in judgment is reversible. *See Kissner v. Cisneros*, 14 F.3d 615, 619 (D.C. Cir. 1994).

USAC's appeal process proffered no due process for the Schools or the service providers. First, as demonstrated in this Consolidated Appeal, USAC denied the Applications without a specific finding or any proof that United Systems was actually and impermissibly involved in the Schools' competitive bidding process. Second, USAC failed to provide United Systems with notice of the denials. Third, in reaching this unsubstantiated decision to deny the Schools' FCC Form 470s, USAC expressly voided all of the related FRNs featured on the Schools associated FCC Form 471s.³⁹

Accordingly, because USAC proffered no specific finding or any proof that United Systems was actually and/or impermissibly involved in the Schools' competitive bidding process, but still denied the Schools' appeals and E-Rate funding, and because USAC's denials void E-Rate funding for services not only provided by United Systems, but also by other service providers, USAC's actions failed to provide due process to the Schools and to the service providers. The only fair process to be exercised now is by the Commission in overturning USAC's denials and granting the funding.

III. USAC FAILED TO PROVE A COMMISSION RULE VIOLATION AND FAILED TO CARRY ITS BURDEN OF PROVING A COMPETITIVE BID VIOLATION PURSUANT TO COMMISSION ORDERS

³⁹ The FCC Form 471s feature all of the service providers for which the Schools received and accepted competitive bids. As a result, Paden not only loses E-rate funding for services provided by United Systems, Paden also loses E-rate funding for services provided by Novell, Inc. (for basic maintenance of internal connections), NTS Communications and Windstream Communications, Inc. (for telecommunications service), and for OneNet (for Internet access). Likewise, Maud not only loses E-Rate funding for services provided by United Systems, Inc., Maud also loses E-Rate funding for service provided by Novell, Inc. (for basic maintenance of internal connections (which was subsequently cancelled)).

In a line of decisions beginning with the Commission's Order in *MasterMind*,⁴⁰ the Commission has neither broadened nor sanctioned a new set of guidelines defining what constitutes a competitive bidding violation. The Commission's Rules and Orders only require that applicants must seek competitive bids; prepare, fill out, and sign their FCC Form 470s; not abrogate their responsibility to the service provider during the competitive bidding process; and comply with state and local procurement laws and regulations.

The burden lies with USAC, not the applicant and not the service provider, to prove a rule violation.⁴¹ More specifically, in these cases USAC has the burden to demonstrate (1) that there was an IP address match, (2) that the IP address match is accurate and based upon standard industry practice, and, most importantly, (3) that the service provider was expressly involved in the filing of the FCC Form 470, *i.e.*, drafted or prepared the FCC Form 470 or had prior knowledge of its content such as to provide it with a competitive advantage over other prospective service providers. USAC failed to meet its burden as a matter of fact and law.

The competitive bidding process is one of the core Commission requirements for the E-rate Program and one of its greatest deterrents against waste, fraud, and abuse. The Commission adopted competitive bidding requirements at the onset of the E-rate Program in order to ensure fiscal responsibility of the Universal Service Fund.⁴² The FCC Form 470 is the official E-rate Applicant Request for Proposal ("RFP") for E-rate Services.⁴³

⁴⁰ *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc.*, 16 FCC Rcd 4028 (2000) ("*MasterMind*").

⁴¹ *See, e.g., Request for Review of the Decision of the Universal Service Administrator by Academy of Careers and Technologies San Antonio, TX, et al. and Schools and Libraries Universal Service Support Mechanism, Order*, 21 FCC Rcd 5348, ¶¶1, 8 (2006).

⁴² *Federal-State Joint Board on Universal Service*, Report and Order, 12 FCC Rcd 8776, 9029, ¶480 (1997) as corrected by *Federal-State Joint Board on Universal Service*, Errata, (DA 97-157), *affirmed in*

The FCC Form 470 identifies the services sought by the applicant and identifies other competitive bid requirements. Because it is the applicant's official RFP for E-rate purposes, the Commission has adopted certain requirements that the applicant must follow to ensure that the competitive bid process is fair and open. For example, the FCC Form 470 must be completed by an applicant that will negotiate with prospective service providers and signed by a person authorized to request the services on behalf of the applicant.⁴⁴ The FCC Form 470 also requires the applicant to name a contact person, who is responsible to speak to prospective service providers as well as assist prospective service providers with obtaining a separately prepared Request for Proposal, if applicable.⁴⁵

These requirements were upheld in May of 2000 by the Commission in its *Mastermind* Order.⁴⁶ In *MasterMind*, the Commission addressed the violation of competitive bidding requirements in the E-rate Program for the first time. Specifically, the Commission upheld USAC's denial of all funding requests on which the service provider MasterMind appeared as the featured service provider as well as the named contact person on the associated FCC Form 470s and signed the FCC Form 470s and FCC Form 471s associated with the funding requests.⁴⁷ The Commission also noted that MasterMind also prepared RFPs that "were vague with respect

part, reversed in part and remanded in part sub nom. Texas Office of Public Utility Counsel v. FCC, 183 F.2d 393 (5th Cir. 1999).

⁴³ Schools and Libraries Universal Service, *Description of Services Requested and Certification Form*, OMB 3060-0806 (FCC Form 470).

⁴⁴ FCC Form 470 Instructions at 19-20.

⁴⁵ *Id.*

⁴⁶ *Request for Review of Decisions of the Universal Service Administrator by MasterMind Internet Services, Inc.*, 16 FCC Rcd 4028 (2000) ("*MasterMind*").

⁴⁷ *Id.* at 4030 ¶4.

to the services requested, failed to identify the school requesting the service, and did not contain bid-close or reply dates, and that MasterMind instructed certain service providers to supply MasterMind, rather than the Applicants, information regarding their services offered.”⁴⁸ In upholding the integrity of the competitive bid process, the Commission found that “an applicant violates the Commission’s competitive bidding requirements when it surrenders control to a service provider that participates in that bidding process.”⁴⁹ The Commission further found that an open and fair competitive bidding process does not occur when the service provider is listed as the contact person and participates in the bidding process.⁵⁰

MasterMind and its progeny continue to generally hold that where a FCC Form 470 lists a contact person for the applicant who is an employee or representative of a service provider, the FCC Form 470 is *per se* defective.⁵¹ In the most recent *MasterMind*-type case, *Dickenson*, the Commission interpreted the *MasterMind* precedent as follows:

In *Mastermind Internet Services, Inc.*, the Commission held that, where an FCC Form 470 lists a contact person who is an employee or representative of a service provider, the FCC Form 470 is defective. The Commission observed that the “contact person exerts great influence over an applicant’s competitive bidding process by controlling the dissemination of information regarding the services requested.” On this basis, the Commission found that “when an applicant delegates that power to an entity that also will participate in the bidding process as a prospective service provider, the applicant irreparably impairs its ability to hold

⁴⁸ *Id.* at 4031 fn. 22.

⁴⁹ *Id.* at 4032 ¶10.

⁵⁰ *Id.* at 4033 ¶11.

⁵¹ *Request for Review of Decisions of the Universal Service Administrator by Dickenson County Public Schools, Clintwood, Virginia*, 17 FCC Rcd 15747 (WCB 2002) (“*Dickenson*”); *Request for Review of Decisions of the Universal Service Administrator by Consorcio de Escuelas y Bibliotecas de Puerto Rico, San Juan, Puerto Rico*, 17 FCC Rcd 13624 (WCB 2002) (“*Consorcio*”); *Request for Review of Decisions of the Universal Service Administrator by College Prep School of America, Lombard, Illinois*, 17 FCC Rcd 1738 (CCB 2002) (“*College Prep*”); *Request for Review of Decisions of the Universal Service Administrator by A.R. Carethers SDA School, Houston, Texas.*, 16 FCC Rcd 6943 (CCB 2001) (“*Carethers*”).

a fair and open competitive bidding process.” It concluded that “a violation of the Commission’s competitive bidding requirements has occurred where a service provider that is listed as the contact person on the FCC Form 470 also participates in the competitive bidding process as a bidder.”⁵²

However, most significant and applicable to the facts of this case is the finding by the Commission in *MasterMind* that no competitive bidding violation occurred where (1) the applications did not name a MasterMind employee as the contact person and (2) a MasterMind employee did not sign the FCC Form 470 or FCC Form 471.⁵³

In the instant case, USAC used a controversial investigative screening methodology, *i.e.*, tracking IP addresses, without providing any proof that this method was legitimate, recognized by industry-wide standards, accurate, or sanctioned by the Commission. Moreover, when Paden requested specific facts, dates, IP addresses, and proof of the allegation,⁵⁴ USAC turned a blind eye toward them by not only failing to provide any substantiating evidence, but also by failing to articulate or cite to any factual evidence or proof and rule violation in its denial reason.

Although USAC fails to cite to *MasterMind* or any other Commission rule or Order in justifying its reason for denial,⁵⁵ the facts contained in the various *MasterMind* line of cases can be easily distinguished from the facts in this case. As stated above, in *MasterMind*, an employee of the service provider MasterMind was listed as the contact person on the applicants’ FCC Form 470s and this person prepared and distributed the RFPs to potential bidders. “In so doing, the Applicants surrendered control of the bidding process to an employee of MasterMind, a service

⁵² *Dickenson*, 17 FCC Rcd at 15748 ¶3 (quoting *MasterMind*, 16 FCC Rcd at 4032).

⁵³ *Mastermind* at 4034-5 ¶14.

⁵⁴ AR00022.

⁵⁵ The only reason provided by USAC is the sweeping general statement that “Applicants cannot abrogate their responsibility for conducting a fair and open competitive bidding process free from SP involvement.” See AR 00016; AR 00021.

provider that not only participated in the bidding process, but also was awarded the service contracts.”⁵⁶ Similarly, in *Carethers*, the Commission concluded that the person listed as the contact for a number of applicant schools in various states, Charles Scorpio, was an employee of, or associated with, the service provider.⁵⁷ The Commission further clarified its position regarding improper relationships between service providers and applicants in *College Prep*, *Dickeson* and *Consortio*. In these cases, the contact person listed on the FCC Form 470s was an *employee or representative* of a service provider participating in the competitive bidding process.⁵⁸

The SLD ignored critical factual differences in this case from the *MasterMind* line of cases. First, in *MasterMind* and its progeny, the Commission denied the applicants’ requests for funding because in each case an *employee or representative of the service provider* was listed as the contact for the applicant. In this case, however, there is not one scintilla of evidence in the record that United Systems is an employee or representative of the Schools. In addition, a service provider was not listed as a contact on the Schools FCC Form 470s.

Nor did United Systems prepare and distribute RFPs on behalf of certain schools or participate in any manner, other than as a neutral service provider, during the competitive bidding process. There is not one scintilla of evidence that the authorized representatives of both

⁵⁶ *MasterMind*, 16 FCC Rcd at 4033 ¶10.

⁵⁷ *Carethers*, 16 FCC Rcd at 6948-49 ¶¶8-9. The Commission based its conclusion on the fact that Scorpio had an email address through the service provider, had the same address as the service provider, and the contact person listed for the service provider in the SLD’s database had the same last name as Scorpio. The Commission concluded that Scorpio could not be an employee of the schools because the schools were spread over a number of states. It also was never disputed that Scorpio was an employee of the service provider.

⁵⁸ *College Prep*, 17 FCC Rcd at 1745 ¶41; *Dickenson*, 17 FCC Rcd at 15749 ¶4; *Consortio*, 17 FCC Rcd at 13626-27 ¶6. In *College Prep*, the contact person was an officer of a service provider and negotiated the contracts with service providers on behalf of the applicant. In *Dickenson* and *Consortio*, the contact people listed on the applicants’ FCC Form 470s were employees of a service provider.

Paden and Maud ceded control in any way to United Systems or to any other service provider pertaining to their E-rate funding requests. In fact, both Paden and Maud expressly stated in their appeals and responses to USAC's supplemental questions during the appeal process that there was "NO" service provider involvement in the competitive bidding process.⁵⁹ Therefore, USAC erred in its finding that there was any inappropriate service provider involvement by United Systems.

Furthermore, unlike *MasterMind* and its progeny, Maud and Paden did not delegate the task of disseminating information regarding the services requested to United Systems. Both Paden and Maud undertook their own competitive bidding process in good faith, complied with all federal, state and local rules, and considered all factors set forth under those rules.⁶⁰ Accordingly, Paden and Maud conducted a fair and open competitive bidding process and, as a result, entered into the most cost-effective contract for services. Unlike the applicants in the *MasterMind* line of cases, Paden's and Maud's bidding process was wholly consistent with the public interest requirements underlying the integrity of the competitive bidding process.

Importantly, the SLD and USAC have not asserted that the competitive bidding process undertaken by United Systems did not comply with the Commission's rules and state and local competitive bidding requirements. USAC's sole focus was on its use of a controversial and undisclosed and untested alleged IP address match. The conclusion drawn is that this IP address match implicates United Systems as being involved in the competitive bidding process. USAC concludes that this "is in violation of competitive bidding guidelines."⁶¹ Yet, USAC fails to cite

⁵⁹ AR00022-23, AR00030 and AR00032 (Paden); AR00024 and AR00034 (Maud).

⁶⁰ *Id.*

⁶¹ AR00037. Although USAC reaches the same decision for both Maud and Paden, its rationale differs. See AR00040. Neither of USAC's denial reasons cite to any specific rule violation nor make a nexus

to any competitive bidding guidelines to support this improper conclusion. The reason it fails to do so is both simple and clear – no such guidelines exist.

Furthermore, the facts in this case simply do not support such a conclusion. Indeed the record indicates just the opposite, that the Schools employees submitted the FCC Form 470s to USAC wholly without involvement of any service provider. USAC's reliance on a controversial, undocumented and unsubstantiated investigative technique that lies outside the purview of its administrative authority to prove that United Systems allegedly participated in the competitive bidding process is wrong. There is not one shred of evidence in record of these cases to support such a finding.

USAC failed to demonstrate through factual findings that United Systems was improperly involved in the competitive bidding process through (1) signing the FCC Form 470, (2) acting as the point of contact on the FCC Form 470, (3) preparing and issuing a FCC Form 470 or RFP that was not competitively neutral, *i.e.*, seeking products and services that only were tailored in favor of one provider; (4) receiving the proposals, (5) controlling information flowing from the applicant to other service providers, (6) assisting in the evaluation of the bids, (7) providing advice and assistance with respect to competitors' bids, and/or (8) receiving the applicant RFP prior to it being made available publicly.⁶² The mere suggestion of an IP address match between an applicant filed form and a service provider form does not prove that the competitive bidding process was tainted or violated in any way.

between the facts and the alleged rule/guideline violations. As Administrator of the E-rate Program, USAC is responsible for clearly and expressly posting its Program guidelines and, especially its nebulous competitive bid guidelines, on its website and in its training sessions and materials. A search for IP address match on USAC's website yielded zero results.

⁶² See *SLD Training Presentations for applicants and service providers on Enforcement and Program Compliance for the FY 2002-2004*, available at <http://www.usac.org/sl/about/training-presentations/>.

USAC's attempt to create a nexus of service provider involvement through its contested summary finding of an alleged IP address match fails. The holdings in the various *MasterMind* cases cannot be used as a blunt instrument, or a bright line test, without regard to the individual facts of a case. To do so misses the essential point – that the spirit and letter of the competitive bidding process and rules were observed and the public interest was served by the bidding process undertaken by Paden and Maud. The only fair result is to require USAC to engage in an open and fair review process that provides due process to both the applicants and service providers. The only fair and equitable result in these cases lies in the funding of these applications.

IV. THE MERE ACT OF FILING A FORM IS CLERICAL IN NATURE AND DOES NOT PER SE EQUATE TO A COMMISSION RULE VIOLATION OR COMPETITIVE BIDDING VIOLATION

Even, assuming *arguendo*, if an applicant were to use a service provider's computer to file its FCC Form 470, this simple act, in and of itself, cannot equate to a competitive bid violation. The Commission correctly and clearly found in *Mastermind* that the applicants had engaged in a competitive bid violation when they ceded control of their competitive bid processes, *i.e.*, signing applications, accepting and evaluating bids, and acting as the contact person on the FCC Form 470 to the service provider featured on their FCC Form 470s.

The simple task of filing a form is clerical and perfunctory in nature as is demonstrated by the hundreds of thousands of Commission Forms and letters processed by USAC on an annual basis. Even the manner in which they are filed is clerical in nature, *e.g.*, some are mailed, some are submitted via electronic submission, and others are sent via overnight delivery services. To track one form of filing to the exclusion of others equates to a discriminatory practice or procedure.

On the other hand, being responsible for the competitive bid process is anything but clerical and perfunctory in nature. The individuals who oversee the competitive bid process are required to understand not only state and local procurement rules and procedures for their respective schools or libraries, but also the Commission's federal rules and procedures and USAC's programmatic rules and procedures—an extraordinary responsibility and burden given all of the other responsibilities that these school and library Administrators carry. Surely it was not Congress' intent in creating the E-rate Program or the Commission's intent in issuing the *Mastermind* Order to bog down the review of applications and flow of advanced communications services to schools and libraries across America serving our nation's children by investigating whether there is a match in an IP address or who paid for the postage for the letters.

USAC's focus should not be on how the Schools file or where they file, but whether they engaged in an open and fair competitive bid process. As demonstrated above, USAC has failed to meet its burden. USAC's Administrative Record clearly establishes that the Schools were responsible for the preparation and filing of their FCC Form 470s and that there was no involvement by any service provider, including United Systems, in the competitive bidding process. USAC cannot be allowed to disregard its own record in these cases and make decisions based on its own suppositions.

CONCLUSION

In rendering its decision, we respectfully request that the Commission grant these appeals and find that the Administrative Record unequivocally demonstrates that the Schools were solely responsible for the competitive bidding process. The Commission also should find that USAC has failed to meet its burden in proving that there was any improper service provider

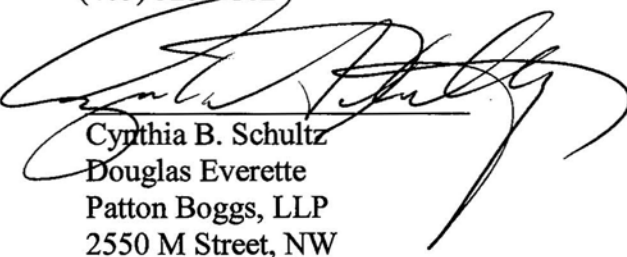
involvement that rose to a level of tainting or violating the competitive bidding process. Further, the Commission should establish a clear standard of review to be followed by USAC and the SLD to ensure that the due process rights of all schools and libraries and service providers are met. Finally, the Commission should order USAC to take immediate action in defining oversight and management of its appeal process and special compliance review because, as these cases aptly demonstrate, these processes involving the Schools and Libraries Division are in need of restructuring and serve only to bog down the review of applications and flow of advanced communications services to schools and libraries across America serving our nation's children.

Respectfully submitted,

_____/s/_____
Keith Kincade
Paden Independent School
District 14
10th and Elm St
Paden, OK 74860
(405) 932-5053

_____/s/_____
J.E. Pryor
Maud Independent School
District 117
306 W Main St
Maud, OK 74854
(405) 374-2416

_____/s/_____
Alvin Myers
United Systems, Inc.
4335 N. Classen
Oklahoma City, OK 73118
(405) 523-2162


Cynthia B. Schultz
Douglas Everette
Patton Boggs, LLP
2550 M Street, NW
Washington, DC 20037
(202) 457-6000

Counsel to United Systems, Inc.

January 16, 2007

CERTIFICATE OF SERVICE

I, Douglas Everett, certify on this 16th day of January, 2007, a copy of the foregoing Consolidated Request for Review has been served via electronic mail or first class mail, postage pre-paid, to the following:

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Letter of Appeal
Schools and Libraries Division-Correspondence
Unit
100 S. Jefferson Road
P.O. Box 902
Whippany, NJ 07981

/s/ Douglas Everett

Applications Implicated by Consolidated Appeal

APPLICANT	APPLICATION NUMBER	FRN	FY	ESTABLISHING FORM 470 NUMBER	SERVICE PROVIDER AND SPIN
Paden Public Schools	472668	1302225	2005	475710000534753	Windstream Communications, Inc. 143030766
		1302241	2005	475710000534753	NTS Communications, Inc. 143001173
		1302253	2005	475710000534753	OneNet (Oklahoma State Regents). 143015254
Paden Public Schools	472766	1302660	2005	475710000534753	United Systems, Inc. 14300004698
		1302690	2005	475710000534753	Novell, Inc. 143004863
Maud Independent School District 117	475214	1310797	2005	548810000532934	United Systems, Inc. 143004698

FCC Form 471	Do not write in this area	Appro				
Schools and Libraries Universal Service Description of Services Ordered and Certification Form 471 Estimated Average Burden Hours per Response: 4 hours This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for them. Fund Administrator can set aside sufficient support to reimburse providers for services. Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org) The instructions include information on the deadlines for filing this application.						
<table style="width: 100%;"> <tr> <td style="width: 50%;"> Applicant's Form Identifier (Create your own code to identify THIS form 471) </td> <td style="width: 50%;"> Form 471 Application# (To be assigned by administrator) </td> </tr> <tr> <td>Paden-YR8-1</td> <td>472668</td> </tr> </table>			Applicant's Form Identifier (Create your own code to identify THIS form 471)	Form 471 Application# (To be assigned by administrator)	Paden-YR8-1	472668
Applicant's Form Identifier (Create your own code to identify THIS form 471)	Form 471 Application# (To be assigned by administrator)					
Paden-YR8-1	472668					
Block 1: Billed Entity Information (The "Billed Entity" is the entity paying the bills for the service listed on this form.)						
1 a	Name of Billed Entity	PADEN INDEP SCHOOL DISTRICT 14				
2 a	Funding Year: July 1, 2005 Through June 30: 2006	Billed Entity Number: 140366				
4 a	Street Address, P.O. Box, or Routing Number	10TH AND ELM STREETS				
	City	PADEN				
	State	OK				
		Zip Code 74860				
5 a	Type of Application	<input type="checkbox"/> Individual School (individual public or non-public school) <input checked="" type="checkbox"/> School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools) <input type="checkbox"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium <input type="checkbox"/> Check here if any members of this consortium are ineligible or non-governmental entities				
6	Contact Person's Name	Jon Dotson				
First, if the Contact Person's Street Address is the same as in Item 4, check this box. <input type="checkbox"/> If not, please complete the entries for the Street Address.						
b	Street Address, P.O. Box, or Routing Number	10TH AND ELM STREETS				
	City	PADEN				
	State	OK				
		Zip Code 74860				



Entity Number <u>140366</u>	Applicant's Form Identifier <u>Paden-YR8-1</u>
Contact Person <u>Jon Dotson</u>	Phone Number <u>405-932-5053</u>

FRN: 1302225 FCDL Date: 03/08/2006	
10. Original FRN:	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 475710000534753
13. SPIN: 143030766	14. Service Provider Name: Windstream Communications, Inc.
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: MTM
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: 100030425	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 02/15/2005	18. Contract Award Date:
19a. Service Start Date: 07/01/2005	19b. Service End Date: 06/30/2006
20. Contract Expiration Date:	
21. Attachment #: A	22. Block 4 Worksheet No.: 683997
23a. Monthly Charges: \$123.12	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$123.12	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$1,477.44	
23f. Annual non-recurring (one-time) charges: 0 23g. Ineligible non-recurring amt.: 0	
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$1,477.44	
23j. % discount (from Block 4): 87	
23k. Funding Commitment Request (23i x 23j): \$1,285.37	

FRN: 1302241 FCDL Date: 03/08/2006	
10. Original FRN:	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 475710000534753
13. SPIN: 143001173	14. Service Provider Name: NTS Communications, Inc.
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: MTM
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: 4059325053	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 02/15/2005	18. Contract Award Date:
19a. Service Start Date: 07/01/2005	19b. Service End Date: 06/30/2006
20. Contract Expiration Date:	
21. Attachment #: B	22. Block 4 Worksheet No.: 683997
23a. Monthly Charges: \$198.33	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$198.33	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$2,379.96	
23f. Annual non-recurring (one-time) charges: 0 23g. Ineligible non-recurring amt.: 0	
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$2,379.96	
23j. % discount (from Block 4): 87	
23k. Funding Commitment Request (23i x 23j): \$2,070.57	

FRN: 1302253 FCDL Date: 03/08/2006	
10. Original FRN:	
11. Category of Service: Internet Access	12. 470 Application Number: 475710000534753

13. SPIN: 143015254		14. Service Provider Name: OneNet (Oklahoma State Regents)	
15a. Non-Contracted tariffed/Month to Month Service:		15b. Contract Number: MTM	
15c. Covered under State Master Contract:		15d. FRN from Previous Year:	
16a. Billing Account Number: 405-932-4465		16b. Multiple Billing Account Numbers?:	
17. Allowable Contract Date: 02/15/2005		18. Contract Award Date:	
19a. Service Start Date: 07/01/2005		19b. Service End Date: 06/30/2006	
20. Contract Expiration Date:			
21. Attachment #: C		22. Block 4 Worksheet No.: 683997	
23a. Monthly Charges: \$1,028.00		23b. Ineligible monthly amt.: \$.00	
23c. Eligible monthly amt.: \$1,028.00		23d. Number of months of service: 12	
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$12,336.00			
23f. Annual non-recurring (one-time) charges: 1100		23g. Ineligible non-recurring amt.: 0	
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$1,100.00			
23i. Total program year pre-discount amount (23e + 23h): \$13,436.00			
23j. % discount (from Block 4): 87			
23k. Funding Commitment Request (23i x 23j): \$11,689.32			

Block 6: Certifications and Signature

Application ID: 472668

Do not write in this area.

Entity Number	140366	Applicant's Form Identifier	Paden-YR8-1
Contact Person	Jon Dotson	Phone Number	405-932-5053

Block 6: Certifications and Signature

24. ☒ I certify that the entities listed in Block 4 of this application are eligible for support because they are: (check one or both)
- a. ☒ schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C. Secs. 7801(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. ☐ libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any schools including, but not limited to elementary, secondary schools, colleges, or universities
25. ☒ I certify that the entity I represent or the entities listed on this application have secured access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity, necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support. I certify that the entities I represent or the entities listed in this application have secured access to all of the resources to pay the discounted charges for eligible services from funds to which access has been secured in the current funding year. I certify that the Billed Entity will pay the non-discount portion of the cost of the goods and services to the service provider(s).

a.	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23l on all Block 5 Discount Funding Requests.)	\$17,293.40
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$15,045.26
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$2,248.14
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$5,000.00
e.	Total amount necessary for the applicant to pay the non-discount share of the services requested on this application AND to secure access to the resources necessary to make effective use of the discounts. (Add Items 25c and 25d.)	\$7,248.14
f.	<input type="checkbox"/> Check this box if you are receiving any of the funds in Item 25e directly from a service provider listed on any Forms 471 filed by this Billed Entity for this funding year, or if a service provider listed on any of the Forms 471 filed by this Billed Entity for this funding year assisted you in locating funds in Items 25e.	

26. ☒ I certify that all of the schools and libraries or library consortia listed in Block 4 of this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, and an SLD-certified technology plan approver, prior to the commencement of service. The plans are written at the following level(s):

- a. ☐ an individual technology plan for using the services requested in this application; and/or
 b. ☒ higher-level technology plan(s) for using the services requested in this application; or
 c. ☐ no technology plan needed; applying for basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only.

27. ☒ I certify that I posted my Form 470 and (if applicable) made my RFP available for at least 28 days before considering all bids received and selecting a service provider. I certify that all bids submitted were carefully considered and the most cost-effective service offering was selected, with price being the primary factor considered, and is the most cost-effective means of meeting educational needs and technology plan goals.



28. ☒ I certify that the entity responsible for selecting the service provider(s) has reviewed all applicable FCC, state, and local procurement/competitive bidding requirements and that the entity or entities listed on this application have complied with them.
29. ☒ I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value, except as permitted by the Commission's rules at 47 C.F.R. Sec. 54.500(k). Additionally, I certify that the Billed Entity has not received anything of value or a promise of anything of value, other than services and equipment requested under this form, from the service provider(s) or any representative or agent thereof or any consultant in connection with this request for services.
30. ☒ I certify that I and the entity(ies) I represent have complied with all program rules and I acknowledge that failure to do so may result in denial of discount funding and/or cancellation of funding commitments. There are signed contracts covering all of the services listed on this Form 471 except for those services provided under non-contracted tariffed or month-to-month arrangements. I acknowledge that failure to comply with program rules could result in civil or criminal prosecution by the appropriate law enforcement authorities.
31. ☒ I acknowledge that the discount level used for shared services is conditional, for future years, upon ensuring that the most disadvantaged schools and libraries that are treated as sharing in the service, receive an appropriate share of benefits from those services.
32. ☒ I certify that I will retain required documents for a period of at least five years after the last day of service delivered. I certify that I will retain all documents necessary to demonstrate compliance with the statute and Commission rules regarding the application for, receipt of, and delivery of services receiving schools and

FCC Form 471	Do not write in this area	Appr
Schools and Libraries Universal Service Description of Services Ordered and Certification Form 471 Estimated Average Burden Hours per Response: 4 hours		
This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for it. Fund Administrator can set aside sufficient support to reimburse providers for services. Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org) The instructions include information on the deadlines for filing this application.		
Applicant's Form Identifier (Create your own code to identify THIS form 471)		Form 471 Application# (To be assigned by administrator)
Paden-YR8-2		472766
Block 1: Billed Entity Information (The "Billed Entity" is the entity paying the bills for the service listed on this form.)		
1 a	Name of Billed Entity PADEN INDEP SCHOOL DISTRICT 14	
2 a	Funding Year: July 1, 2005 Through June 30: 2006 Billed Entity Number: 140366	
4 a	Street Address, P.O. Box, or Routing Number 10TH AND ELM STREETS	
	City PADEN	
	State OK Zip Code 74860	
5 a	Type of Application <input type="checkbox"/> Individual School (Individual public or non-public school) <input checked="" type="checkbox"/> School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools) <input type="checkbox"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium <input type="checkbox"/> Check here if any members of this consortium are ineligible or non-governmental entities	
6	Contact Person's Name Jon Dotson	
First, if the Contact Person's Street Address is the same as in Item 4, check this box. <input type="checkbox"/> If not, please complete the entries for the Street A		
b	Street Address, P.O. Box, or Routing Number 10TH AND ELM STREETS	
	City PADEN	
	State OK Zip Code 74860	



Entity Number 140366 Contact Person Jon Dotson	Applicant's Form Identifier Paden-YR8-2 Phone Number 405-932-5053
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FRN: 1302660 FCDL Date: 03/08/2006	
10. Original FRN:	
11. Category of Service: Basic Maintenance of Internal Connections	12. 470 Application Number: 475710000534753
13. SPIN: 143004698	14. Service Provider Name: United Systems, Inc.
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Paden-US-YR8-1c
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: 405-932-4465	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 02/15/2005	18. Contract Award Date: 02/16/2005
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 09/30/2006	
21. Attachment #: A	22. Block 4 Worksheet No.: 684210
23a. Monthly Charges: \$.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: 22050	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$22,050.00	
23i. Total program year pre-discount amount (23e + 23h): \$22,050.00	
23j. % discount (from Block 4): 87	
23k. Funding Commitment Request (23i x 23j): \$19,183.50	

FRN: 1302690 FCDL Date: 03/08/2006	
10. Original FRN:	
11. Category of Service: Basic Maintenance of Internal Connections	12. 470 Application Number: 475710000534753
13. SPIN: 143004863	14. Service Provider Name: Novell, Inc.
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: N/A
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: 405-932-4465	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 02/15/2005	18. Contract Award Date: 02/16/2005
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 09/30/2006	
21. Attachment #: A	22. Block 4 Worksheet No.: 684210
23a. Monthly Charges: \$.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: 1000	23g. Ineligible non-recurring amt.: 207.7
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$792.30	
23i. Total program year pre-discount amount (23e + 23h): \$792.30	
23j. % discount (from Block 4): 87	
23k. Funding Commitment Request (23i x 23j): \$689.30	

Block 6: Certifications and Signature

Application ID:472766

Do not write in this area

Entity Number	140366	Applicant's Form Identifier	Paden-YR8-2
Contact Person	Jon Dotson	Phone Number	405-932-5053

Block 6: Certifications and Signature

24. ☒ I certify that the entities listed in Block 4 of this application are eligible for support because they are: (check one or both)
- a. ☒ schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C. Secs. 7801(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. ☐ libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any schools including, but not limited to elementary, secondary schools, colleges, or universities

25. ☒ I certify that the entity I represent or the entities listed on this application have secured access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity, necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support. I certify that the entities I represent or the entities listed in this application have secured access to all of the resources to pay the discounted charges for eligible services from funds to which access has been secured in the current funding year. I certify that the Billed Entity will pay the non-discount portion of the cost of the goods and services to the service provider(s).

a.	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23l on all Block 5 Discount Funding Requests.)	\$22,842.30
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$19,872.80
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$2,969.50
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$5,000.00
e.	Total amount necessary for the applicant to pay the non-discount share of the services requested on this application AND to secure access to the resources necessary to make effective use of the discounts. (Add Items 25c and 25d.)	\$7,969.50
f.	<input type="checkbox"/> Check this box if you are receiving any of the funds in Item 25e directly from a service provider listed on any Forms 471 filed by this Billed Entity for this funding year, or if a service provider listed on any of the Forms 471 filed by this Billed Entity for this funding year assisted you in locating funds in Items 25e.	

26. ☒ I certify that all of the schools and libraries or library consortia listed in Block 4 of this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, and an SLD-certified technology plan approver, prior to the commencement of service. The plans are written at the following level(s):
- a. ☐ an individual technology plan for using the services requested in this application; and/or
- b. ☒ higher-level technology plan(s) for using the services requested in this application; or
- c. ☐ no technology plan needed; applying for basic local, cellular, PCS, and/or long distance telephone

FCC Form 471	Do not write in this area	Appr
Schools and Libraries Universal Service Description of Services Ordered and Certification Form 471 Estimated Average Burden Hours per Response: 4 hours		
This form asks schools and libraries to list the eligible telecommunications-related services they have ordered and estimate the annual charges for the Fund Administrator can set aside sufficient support to reimburse providers for services. Please read instructions before beginning this application. (You can also file online at www.sl.universalservice.org) The instructions include information on the deadlines for filing this application.		
Applicant's Form Identifier (Create your own code to identify THIS form 471)		Form 471 Application# (To be assigned by administrator)
Maud-Yr8-471b		475214
Block 1: Billed Entity Information (The "Billed Entity" is the entity paying the bills for the service listed on this form.)		
1 a	Name of Billed Entity MAUD INDEP SCHOOL DISTRICT 117	
2 a	Funding Year: July 1, 2005 Through June 30: 2006	
	Billed Entity Number: 140360	
4 a	Street Address, P.O. Box, or Routing Number 306 W. MAIN, P.O. BOX 130	
	City MAUD	
	State OK	Zip Code 74854 0130
5 a	Type of Application <input type="checkbox"/> Individual School (individual public or non-public school) <input checked="" type="checkbox"/> School District (LEA; public or non-public [e.g. diocesan] local district representing multiple schools) <input type="checkbox"/> Library (including library system, library outlet/branch or library consortium as defined under LSTA) <input type="checkbox"/> Consortium <input type="checkbox"/> Check here if any members of this consortium are ineligible or non-governmental entities	
6	Contact Person's Name J.E. Pryor	
First, if the Contact Person's Street Address is the same as in Item 4, check this box. <input type="checkbox"/> If not, please complete the entries for the Street Address.		
b	Street Address, P.O. Box, or Routing Number P.O. Box 130	
	City MAUD	
	State OK	Zip Code 74854 0130

Page 1 of 7



FCC Form 471 - Nov

Entity Number	140360	Applicant's Form Identifier	Maud-Yr8-471b
Contact Person	J.E. Pryor	Phone Number	405-374-2416

FRN: 1310797 FCDL Date: 03/08/2006	
10. Original FRN:	
11. Category of Service: Basic Maintenance of Internal Connections	12. 470 Application Number: 548810000532934
13. SPIN: 143004698	14. Service Provider Name: United Systems, Inc.
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: Maud-US-YR8-1c
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: 405-374-2416	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 02/09/2005	18. Contract Award Date: 02/09/2005
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 09/30/2006	
21. Attachment #: A	22. Block 4 Worksheet No.: 689829
23a. Monthly Charges: \$.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$0.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: 43900	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$43,900.00	
23i. Total program year pre-discount amount (23e + 23h): \$43,900.00	
23j. % discount (from Block 4): 90	
23k. Funding Commitment Request (23i x 23j): \$39,510.00	

FRN: 1310836 FCDL Date: 03/08/2006	
10. Original FRN:	
11. Category of Service: Internal Connections	12. 470 Application Number: 548810000532934
13. SPIN: 143004863	14. Service Provider Name: Novell, Inc.
15a. Non-Contracted tariffed/Month to Month Service:	15b. Contract Number: N/A
15c. Covered under State Master Contract:	15d. FRN from Previous Year:
16a. Billing Account Number: 405-374-2416	16b. Multiple Billing Account Numbers?:
17. Allowable Contract Date: 02/09/2005	18. Contract Award Date: 02/09/2005
19a. Service Start Date: 07/01/2005	19b. Service End Date:
20. Contract Expiration Date: 06/30/2006	
21. Attachment #: A	22. Block 4 Worksheet No.: 689829
23a. Monthly Charges: \$.00	23b. Ineligible monthly amt.: \$.00
23c. Eligible monthly amt.: \$0.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$0.00	
23f. Annual non-recurring (one-time) charges: 1000	23g. Ineligible non-recurring amt.: 0
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$1,000.00	
23i. Total program year pre-discount amount (23e + 23h): \$1,000.00	
23j. % discount (from Block 4): 90	
23k. Funding Commitment Request (23i x 23j): \$900.00	

Block 6: Certifications and Signature

Application ID:475214

Do not write in this area

Entity Number	140360	Applicant's Form Identifier	Maud-Yr8-471b
Contact Person	J.E. Pryor	Phone Number	405-374-2416

Block 6: Certifications and Signature

24. ☒ I certify that the entities listed in Block 4 of this application are eligible for support because they are: (check one or both)
- a. ☒ schools under the statutory definitions of elementary and secondary schools found in the **No Child Left Behind Act of 2001, 20 U.S.C. Secs. 7801(18) and (38)**, that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. ☐ libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any schools including, but not limited to elementary, secondary schools, colleges, or universities

25. ☒ I certify that the entity I represent or the entities listed on this application have secured access, separately or through this program, to all of the resources, including computers, training, software, internal connections, maintenance, and electrical capacity, necessary to use the services purchased effectively. I recognize that some of the aforementioned resources are not eligible for support. I certify that the entities I represent or the entities listed in this application have secured access to all of the resources to pay the discounted charges for eligible services from funds to which access has been secured in the current funding year. I certify that the Billed Entity will pay the non-discount portion of the cost of the goods and services to the service provider(s).

a.	Total funding year pre-discount amount on this Form 471 (Add the entities from Item 23l on all Block 5 Discount Funding Requests.)	\$44,900.00
b.	Total funding commitment request amount on this Form 471 (Add the entities from Items 23K on all Block 5 Discount Funding Requests.)	\$40,410.00
c.	Total applicant non-discount share (Subtract Item 25b from Item 25a.)	\$4,490.00
d.	Total budgeted amount allocated to resources not eligible for E-rate support	\$0.00
e.	Total amount necessary for the applicant to pay the non-discount share of the services requested on this application AND to secure access to the resources necessary to make effective use of the discounts. (Add Items 25c and 25d.)	\$4,490.00
f.	<input type="checkbox"/> Check this box if you are receiving any of the funds in Item 25e directly from a service provider listed on any Forms 471 filed by this Billed Entity for this funding year, or if a service provider listed on any of the Forms 471 filed by this Billed Entity for this funding year assisted you in locating funds in Items 25e.	

26. ☒ I certify that all of the schools and libraries or library consortia listed in Block 4 of this application are covered by technology plans that are written, that cover all 12 months of the funding year, and that have been or will be approved by a state or other authorized body, and an SLD-certified technology plan approver, prior to the commencement of service. The plans are written at the following level(s):
- a. ☒ an individual technology plan for using the services requested in this application; and/or
- b. ☐ higher-level technology plan(s) for using the services requested in this application; or
- c. ☐ no technology plan needed; applying for basic local, cellular, PCS, and/or long distance telephone service and/or voice mail only.



Universal Service Administrative Company
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2005: 07/01/2005 - 06/30/2006)

March 8, 2006

Jon Dotson
PADEN INDEP SCHOOL DISTRICT 14
10TH AND ELM STREETS
PADEN, OK 74860

Re: Form 471 Application Number: 472766
Funding Year 2005: 07/01/2005 - 06/30/2006
Billed Entity Number: 140366
Billed Entity FCC RN: 001165234
Applicant's Form Identifier: Paden-YR8-2

Thank you for your Funding Year 2005 E-rate application and for any assistance you provided throughout our review. Here is the current status of the funding request(s) featured in the Funding Commitment Report at the end of this letter.

- The amount, \$19,872.80 is "Denied."

Please refer to the Funding Commitment Report on the page following this letter for specific funding request decisions and explanations.

The Important Reminders and Deadlines immediately preceding this letter are provided to assist you throughout the application process.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA Requirements
- File Form 486
- Invoice the SLD using the Form 474 (service provider) or Form 472 (Billed Entity) - as products and services are being delivered and billed

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the Funding Request Number(s) (FRNs) from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) after you file your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that provides a definition for each line of the Report.

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter, your appeal must be received by the SLD or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) e-mail address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,

- Applicant BEN and service provider SPIN,
- Form 471 Application Number as assigned by the SLD,
- "Funding Commitment Decision Letter for Funding Year 2005," AND
- The exact text or the decision that you are appealing.

3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by the SLD's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by the SLD's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to the SLD by e-mail, use the "Submit a Question" feature on our web site at www.sl.universalservice.org. Click "Continue," choose "Appeals" from the Topics Inquiry on the lower portion of your screen, and click "Go" to begin your appeal submission. The system will prompt you through the process. The SLD will automatically reply to incoming e-mails to confirm receipt.

To submit your appeal to the SLD by fax, fax your appeal to (973) 599-6542.

To submit your appeal to the SLD on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division
Box 125 - Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use either the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our web site. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that the Universal Service Administrative Company (USAC) and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

A GUIDE TO THE FUNDING COMMITMENT REPORT

A report for each E-rate funding request from your application is attached to this letter. We are providing the following definitions for the items in that report.

FORM 471 APPLICATION NUMBER: The unique identifier assigned to a Form 471 application by the SLD.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471. This number is used to report to applicants and service providers the status of individual funding requests submitted on a Form 471.

FUNDING STATUS: Each FRN will have one of the following definitions:

1. An FRN that is "Funded" is approved at the level that the SLD determined is appropriate for this FRN. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds were committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for this Funding Year was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for Internal Connections at a particular discount level. For example, if your application included requests for discounts on both Telecommunications Services and Internal Connections, you might receive a letter with funding commitments for your Telecommunications Services funding requests and a message that your Internal Connections requests are "As Yet Unfunded." You would receive one or more subsequent letters regarding the funding decision on your Internal Connections requests.

CATEGORY OF SERVICE: The type of service ordered from the service provider, as shown on your Form 471.

FORM 470 APPLICATION NUMBER: The Form 470 Application Number associated with this FRN from Block 5, Item 12 of the Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SERVICE START DATE: The Service Start Date for this FRN from Block 5, Item 19 of your Form 471.

CONTRACT EXPIRATION DATE: The Contract Expiration Date for this FRN from Block 5, Item 20b of your Form 471. This will be present only if a contract expiration date was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This will be present only for "site specific" FRNs.

NUMBER OF MONTHS RECURRING SERVICE PROVIDED IN FUNDING YEAR: The number of months of service that has been approved in the funding year. This will be present only for recurring services.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount approved for recurring charges multiplied by number of months of recurring service approved for the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

PRE-DISCOUNT AMOUNT: Amount in Form 471, Block 5, Item 23I, as determined through the application review process.

DISCOUNT PERCENTAGE APPROVED BY THE SLD: The discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse your service provider for the approved discounts for this service for this funding year. It is important that you and your service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry provides an explanation of the amount in the "Funding Commitment Decision."

FCDL DATE: The date of this Funding Commitment Decision Letter (FCDL).

WAVE NUMBER: The wave number assigned to FCDLs issued on this date.

FUNDING COMMITMENT REPORT
Billed Entity Name: PADEN INDEP SCHOOL DISTRICT 14
BEN: 140366
Funding Year: 2005

Form 471 Application Number: 472766
Funding Request Number: 1302660
Funding Status: Not Funded
Category of Service: Basic Maintenance of Internal Connection
Form 470 Application Number: 475710000
SPIN: 143004698
Service Provider Name: United Systems, Inc.
Contract Number: Paden-US-YR8-1c
Billing Account Number: 405-932-4465
Service Start Date: 07/01/2005
Contract Expiration Date: 09/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$22,050.00
Pre-discount Amount: \$22,050.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: The 470 was submitted from an IP address that was also used to submit a service provider (SP) invoice, indicating SP involvement in the 470. Applicants cannot abrogate their responsibility for conducting a fair & open competitive bidding process free from SP involvement.

ECDL Date: 03/08/2006
Wave Number: 037

Funding Request Number: 1302690
Funding Status: Not Funded
Category of Service: Basic Maintenance of Internal Connection
Form 470 Application Number: 475710000
SPIN: 143004863
Service Provider Name: Novell, Inc.
Contract Number: N/A
Billing Account Number: 405-932-4465
Service Start Date: 07/01/2005
Contract Expiration Date: 09/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$792.30
Pre-discount Amount: \$792.30
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: The 470 was submitted from an IP address that was also used to submit a service provider (SP) invoice, indicating SP involvement in the 470. Applicants cannot abrogate their responsibility for conducting a fair & open competitive bidding process free from SP involvement.

ECDL Date: 03/08/2006
Wave Number: 037



Universal Service Administrative Company
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER
(Funding Year 2005: 07/01/2005 - 06/30/2006)

March 8, 2006

J.E. Pryor
MAUD INDEP SCHOOL DISTRICT 117
P.O. Box 130
MAUD, OK 74854-0130

Re: Form 471 Application Number: 475214
Funding Year 2005: 07/01/2005 - 06/30/2006
Billed Entity Number: 140360
Billed Entity FCC RN: 001159720
Applicant's Form Identifier: Maud-Yr8-471b

Thank you for your Funding Year 2005 E-rate application and for any assistance you provided throughout our review. Here is the current status of the funding request(s) featured in the Funding Commitment Report at the end of this letter.

- The amount, \$40,410.00 is "Denied."

Please refer to the Funding Commitment Report on the page following this letter for specific funding request decisions and explanations.

The Important Reminders and Deadlines immediately preceding this letter are provided to assist you throughout the application process.

NEXT STEPS

- Work with your service provider to determine if you will receive discounted bills or if you will request reimbursement from USAC after paying your bills in full
- Review technology planning approval requirements
- Review CIPA Requirements
- File Form 486
- Invoice the SLD using the Form 474 (service provider) or Form 472 (Billed Entity) - as products and services are being delivered and billed

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the Funding Request Number(s) (FRNs) from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) after you file your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that provides a definition for each line of the Report.

TO APPEAL THIS DECISION:

If you wish to appeal a decision in this letter, your appeal must be received by the SLD or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal

1. Include the name, address, telephone number, fax number, and (if available) e-mail address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the letter and the decision you are appealing:
 - Appellant name,
 - Applicant name and service provider name, if different from appellant,

- Applicant BEN and service provider SPIN,
 - Form 471 Application Number as assigned by the SLD,
 - "Funding Commitment Decision Letter for Funding Year 2005," AND
 - The exact text or the decision that you are appealing.
3. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal, including any correspondence and documentation.
 4. If you are the applicant, please provide a copy of your appeal to the service provider(s) affected by the SLD's decision. If you are the service provider, please provide a copy of your appeal to the applicant(s) affected by the SLD's decision.
 5. Provide an authorized signature on your letter of appeal.

To submit your appeal to the SLD by e-mail, use the "Submit a Question" feature on our web site at www.sl.universalservice.org. Click "Continue," choose "Appeals" from the Topics Inquiry on the lower portion of your screen, and click "Go" to begin your appeal submission. The system will prompt you through the process. The SLD will automatically reply to incoming e-mails to confirm receipt.

To submit your appeal to the SLD by fax, fax your appeal to (973) 599-6542.

To submit your appeal to the SLD on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division
Box 125 - Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use either the electronic filing options described in the "Appeals Procedure" posted in the Reference Area of our web site. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that the Universal Service Administrative Company (USAC) and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect improperly disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

A GUIDE TO THE FUNDING COMMITMENT REPORT

A report for each E-rate funding request from your application is attached to this letter. We are providing the following definitions for the items in that report.

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FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471. This number is used to report to applicants and service providers the status of individual funding requests submitted on a Form 471.

FUNDING STATUS: Each FRN will have one of the following definitions:

1. An FRN that is "Funded" is approved at the level that the SLD determined is appropriate for this FRN. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds were committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for this Funding Year was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for Internal Connections at a particular discount level. For example, if your application included requests for discounts on both Telecommunications Services and Internal Connections, you might receive a letter with funding commitments for your Telecommunications Services funding requests and a message that your Internal Connections requests are "As Yet Unfunded." You would receive one or more subsequent letters regarding the funding decision on your Internal Connections requests.

CATEGORY OF SERVICE: The type of service ordered from the service provider, as shown on your Form 471.

FORM 470 APPLICATION NUMBER: The Form 470 Application Number associated with this FRN from Block 5, Item 12 of the Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on your Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on your Form 471.

SERVICE START DATE: The Service Start Date for this FRN from Block 5, Item 19 of your Form 471.

CONTRACT EXPIRATION DATE: The Contract Expiration Date for this FRN from Block 5, Item 20b of your Form 471. This will be present only if a contract expiration date was provided on your Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a. This will be present only for "site specific" FRNs.

NUMBER OF MONTHS RECURRING SERVICE PROVIDED IN FUNDING YEAR: The number of months of service that has been approved in the funding year. This will be present only for recurring services.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount approved for recurring charges multiplied by number of months of recurring service approved for the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

PRE-DISCOUNT AMOUNT: Amount in Form 471, Block 5, Item 23I, as determined through the application review process.

DISCOUNT PERCENTAGE APPROVED BY THE SLD: The discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse your service provider for the approved discounts for this service for this funding year. It is important that you and your service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry provides an explanation of the amount in the Funding Commitment Decision.

FCDL DATE: The date of this Funding Commitment Decision Letter (FCDL).

WAVE NUMBER: The wave number assigned to FCDLs issued on this date.

FUNDING COMMITMENT REPORT

Billed Entity Name: MAUD INDEP SCHOOL DISTRICT 117
BEN: 140360
Funding Year: 2005

Form 471 Application Number: 475214
Funding Request Number: 1310797
Funding Status: Not Funded
Category of Service: Basic Maintenance of Internal Connection
Form 470 Application Number: 548810000
SPIN: 143004698
Service Provider Name: United Systems, Inc.
Contract Number: Maud-US-YR8-1c
Billing Account Number: 405-374-2416
Service Start Date: 07/01/2005
Contract Expiration Date: 09/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$0.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$43,900.00
Pre-discount Amount: \$43,900.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: The 470 was submitted from an IP address that was also used to submit a service provider (SP) invoice, indicating SP involvement in the 470. Applicants cannot abrogate their responsibility for conducting a fair & open competitive bidding process free from SP involvement.

FCDL Date: 03/08/2006
Wave Number: 037

Funding Request Number: 1310836
Funding Status: Not Funded
Category of Service: Internal Connections
Form 470 Application Number: 548810000
SPIN: 143004863
Service Provider Name: Novell, Inc.
Contract Number: N/A
Billing Account Number: 405-374-2416
Service Start Date: 07/01/2005
Contract Expiration Date: 06/30/2006
Number of Months Recurring Service Provided in Funding Year: 12
Annual Pre-discount Amount for Eligible Recurring Charges: \$0.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$1,000.00
Pre-discount Amount: \$1,000.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: The 470 was submitted from an IP address that was also used to submit a service provider (SP) invoice, indicating SP involvement in the 470. Applicants cannot abrogate their responsibility for conducting a fair & open competitive bidding process free from SP involvement.

FCDL Date: 03/08/2006
Wave Number: 037

Keith Fipps, Vice President
Donna Perkins, Member

Mayme Coleman, President

John Davenport, Clerk
Leon Bailey, Member

PAGE 04

Paden Public Schools

Jeremy Ramsey
High School Principal

P. O. Box 370, 10th & Elm
Paden, OK 7486
Elem. (405) 932-4499
H.S. (405) 932-4465
FAX (405) 932-4132

Keith Kincade
Superintendent &
Elementary Principal

April 12, 2006

Letter of Appeal
Schools and Libraries Division
Box 125 - Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

RE: Denial of FRNs 1302660, 1302225, 1302241 and 1302253
Applicant: Paden Independent School District 14
Billed Entity #: 140366
Form 471 Applications #: 472668 and 472766
Funding Requests #: 1302660, 1302225, 1302241 and 1302253

Dear Sir or Madam:

The purpose of this letter is to appeal decisions by the SLD to deny funding for the above referenced FRNs and Form 471 applications. These Funding Requests pertain to both Priority 1 and Priority 2 Services from multiple service providers.

The reason given for the denial is: *"The 470 was submitted from an IP address that was also used to submit a service provider (SP) invoice, indicating SP involvement in the 470. Applicants cannot abrogate their responsibility for conducting a fair & open competitive bidding process free from SP involvement."*

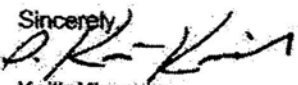
Jon Dotson is the former Superintendent of our school district who submitted the Form 470 and is referenced as the contact on the decision letter. We have contacted Mr. Dotson and been assured that the form 470 was submitted from our school by him from his computer. I am attaching a letter from Mr. Dotson verifying this statement.

In 2005 we participated in a compliance review that asked questions that only the person who submitted our E-rate applications could have answered. Since Jon Dotson was that person and was no longer with the District, we answered them as best as we could with our knowledge and even contacted Mr. Dotson and relayed what he told us. If our denials are based on a former employee not being available for contact, we believe this is an extremely unfair position for our District to be put into.

Not receiving this funding assistance, especially for the Priority 1 Services puts our school district at a major economic disadvantage and will make us less able to service the educational needs of our students.

We are confused as to the cause of these denials and wish to have this decision reviewed and overturned. Furthermore, we want to know the IP address, date and time that you show our application was submitted from so that we can perform some confirmation on our side. There is no way that a service provider should have been able to submit our form 470 and in this age of internet hacking, not to mention errors created by technology, we want to understand where this information is coming from.

I will be available for discussion of this matter at any time. Please contact me at (405)932-5053

Sincerely,

Keith Kincade
Superintendent of Schools

Attachment: Jon Dotson Letter

AR00022



MADILL PUBLIC SCHOOLS

601 W. McArthur

Madill, Oklahoma 73446

(580) 795-3303

April 12, 2006

To Whom It May Concern:

On behalf of my former employer, Paden Public Schools, I am writing this letter to support their appeal of the denial of funding for E-rate Priority 1 and 2 services. I want to inform your office that I personally, without interference or influence from any party submitted the Form 470. No invoice was submitted from any service provider on my school computer during my tenure as Superintendent. (7/01/02-6/30/05)

I can assure you that the bidding process was absolutely fair and open and free from any service provider involvement. If you would like to speak to me concerning this subject, please contact me at (580) 795-3303.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon W. Dotson".

Jon W. Dotson
Assistant Superintendent
Madill School

AR00023



J.E. "Woody" Pryor • Superintendent

May 4, 2006

COPY

Letter of Appeal
Schools and Libraries Division
Box 125-Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

RE: Denial of FRNs 1310797 and 1310836
Applicant: MAUD INDEP SCHOOL DISTRICT 117
Billed Entity #: 140360
Form 471 Application #: 475214
Funding Requests #: 1310797 and 1310836

Dear Sir or Madam:

The purpose of this letter is to appeal decisions by the SLD to deny funding for the above referenced FRNs and Form 471 applications. These Funding Requests pertain to Priority 2 Services from multiple service providers.

The reason given for the denial is: "The 470 was submitted from an IP address that was also used to submit a service provider (SP) invoice, indicating SP involvement in the 470. Applicants cannot abrogate their responsibility for conducting a fair & open competitive bidding process free from SP involvement."

We do not understand the basis for this denial. Our Form 470 Application for all E-rate years has been submitted from the same computer location, by the same person, Judy McGee, in our District Administration office. We have never submitted, nor do we know what would be involved in submitting a service provider invoice. Our competitive bidding process has always been conducted in a fair and open manner by providing information to all vendors who requested it and fairly considering all proposals submitted.

We request that this denial be overturned so that we can receive the funding that we desperately need to support our technology.

You can contact me at (405) 374-2416.

Sincerely

J.E. Pryor
Superintendent of Schools

P.O. Box 130 • Maud, OK 74854 • Tele (405) 374-2416 • Fax (405) 374-2628

AR00024

2005 0340 0001 3077 2000

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Total Postage & Fees	\$ 4.64

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Sent to **Letter of Appeal**
Schools and Libraries Division
 Street, Apt. No. or PO Box No. **Box 125-Correspondence Unit**
 City, State, ZIP+4[®] **80 South Jefferson Road**
Whippany, NJ 07981

PS Form 3800, June 2002 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete Items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>[Signature]</i> C. Date of Delivery <i>[Signature]</i></p> <p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes. If YES, enter delivery address below: <input type="checkbox"/> No.</p>
<p>1. Article Addressed to:</p> <p>Letter of Appeal Schools and Libraries Division Box 125-Correspondence Unit 80 South Jefferson Road Whippany, NJ 07981</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>



Universal Service Administrative Company

Schools and Libraries Division

Date: September 18, 2006

Keith Kincade
Paden Public Schools
(405) 932-5053
Application Number(s) 472668; 472766

Response Due Date: October 3, 2006

I am currently in the process of reviewing your appeal of your Funding Year 2005 Funding Commitment Decision Letter. To complete our review, I need some additional information. The information needed to complete the review is listed below.

On your Form 471 Numbers 472668 and 472766, you indicated that Form 470 Number 475710000534753 is the establishing Form 470 for the service(s) requested in FRN(s) 1302225, 1302241, 1302253 and 1302660.

Form 470 Number 475710000534753 was submitted online. The Internet Protocol (IP) address from which it was submitted is the same as the address from which the service provider United Systems, Inc. SPIN 143004698 submitted their Service Provider Invoice(s) (Forms 474).

As stated on the Form 470, service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests.

This service provider is cited on 471 Number 472766 FRN 1302660 for Basic Maintenance.

As such, please respond to the following questions:

1. Please provide the name and title and employer of the individual who filled out and submitted Form 470 Number 475710000534753. Please also provide that individual's contact information.
2. Please provide the specific location from which Form 470 Number 475710000534753 was filed and submitted.
3. If a Service Provider employee assisted in the filling out and/or submitting Form 470 Number 475710000534753, please provide the name and title of the Service Provider's employee and describe the assistance. Please also provide that individual's contact information.
4. Please explain the reason for the IP address match. You may wish to work with your Internet Service Provider to help provide the explanation. Please provide documentation in support of your response.

Please fax or email the requested information to my attention. If you have any questions, please feel free to contact me.

It is important that we receive all of the information requested within 15 calendar days so we can complete our review. Failure to do so may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Sincerely,

Pamela Tyler
Associate Manager
Program Compliance Unit
Phone: 973-581-5148
Fax: 973-599-6525
e-mail: ptyler@sl.universalservice.org

AR00027



Universal Service Administrative Company

Schools and Libraries Division

October 9, 2006

J. E. Pryor
Maud Independent School District 117
(405) 374-2416
Application Number: 475214

Response Due Date: Monday, October 23, 2006

The Program Compliance team is in the process of reviewing your Funding Year 2005 appeal. To complete our review, we need some additional information. The information needed to complete the review is listed below.

The Request

On your Form 471 Number 475214, you indicated that Form 470# 548810000532934 is the establishing Form 470 for the services requested in FRNs 1310797 and 1310836.

Form 470# 548810000532934 was submitted online. The Internet Protocol (IP) address from which it was submitted is the same as the address from which the service provider, United Systems, SPIN 143004698, submitted their Service Provider Invoice(s) (Forms 474).

As stated on the Form 470, service provider involvement with preparation or certification of a Form 470 can taint the competitive bidding process and result in the denial of funding requests.

This service provider is cited on FRN 1310797 for Basic Maintenance of Internal Connections.

As such, please respond to the following questions:

1. Please provide the name and title and employer of the individual who filled out and submitted Form 470# 548810000532934. Please also provide that individual's contact information.
2. Please provide the specific location from which Form 470# 548810000532934 was filed and submitted.
3. If a Service Provider employee assisted in the filing out and/or submitting Form 470# 548810000532934, please provide the name and title of the Service Provider's employee and describe the assistance. Please also provide that individual's contact information.
4. Please explain the reason for the IP address match. You may wish to work with your Internet Service Provider to help provide the explanation. Please provide documentation in support of your response.

Please fax or email the requested information to my attention. If you have any questions, please feel free to contact me.

AR00028

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to do so may result in a reduction or denial of funding.** If you need **additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Kippy Piedici
Program Compliance
Schools and Libraries Division

Phone: 973-581-5174

FAX: 973-599-6528

email address kpiedic@sl.universalservice.org

Keith Fipps, Vice President
Donna Perkins, Member

Mayme Coleman, President

John Davenport, Clerk
Leon Bailey, Member

Paden Public Schools

Jeremy Ramsey
High School Principal

P. O. Box 370, 10th & Elm
Paden, OK 7486
Elem. (405) 932-4499
H.S. (405) 932-4465
FAX (405) 932-4132

Keith Kincade
Superintendent &
Elementary Principal

Response to Letter Dated Sept. 18, 2006

Ms. Tyler,

This letter is being sent by fax and Registered mail in response to the letter I received on Sept. 18, 2006.

Items 1-4 Responses

1. Attached is the information that you requested about the person who filled out the form 471. Also attached is a written statement by the former Supt. Jon Dotson stating that the form was filled out in his office without interference or influence from any service provider.
2. In checking with One-net our inter-net provider. Paden Public Schools and Universal Systems both use One-Net as an inter-net provider. In Mr. Dotson's letter he states that no invoices were provided from his computer in his office. In personal conversations with Mr. Dotson he stated to me that the form 471 was filled on the computer in his office. Mr. Dotson is an honest person and I take him at his word.
3. To my knowledge and in conversations with Mr. Dotson, NO service provider employee assisted Mr. Dotson in filing out the form 470 number 475710000534753.
4. Like I have already stated in checking with ^{United} One-Net our inter-net service provider, Paden Public Schools and Universal systems both use their services. They had no explanation and I don't either. They are the experts. All I can do is trust the parties that I have talked to and they assure me that the process was fair and without interference.

Sincerely,



D. Keith Kincade, Supt.
Paden Public Schools

9-25-06

Item 1. Attachment

Madill (451002)		(580) 795-3303	Jon Dotson	K-12	87
FAX: (580) 795-3210					
601 West McArthur Street, Madill 73446-2846					
Board President: Tony Hawkins, Rural Route 1, Box 260, Madill 73446					
	Dir. Transportation/Maintenance	(580) 795-3303	Raymond Cole		
(105)	Elementary School [NC]	(580) 795-3680	James W. Shipp	K-5	32
	Assistant Elementary Principal	(580) 795-3680	Katherine Gibson		
	Principal, Early Childhood Center	(580) 795-6934	Lynda McDaniel		
(505)	Middle School [NC]	(580) 795-7373	Steve Wilburn	5-8	26
	Assistant Principal	(580) 795-7373	Cindy Dodds		
(705)	High School [NC]	(580) 795-3339	Monte Womack	9-12	29
	Assistant Principal	(580) 795-3339	Bink Stafford		

Keith Fipps, Vice President
Donna Perkins, Member

Mayme Coleman, President

John Davenport, Clerk
Leon Bailey, Member

Paden Public Schools

Jeremy Ramsey
High School Principal

P. O. Box 370, 10th & Elm
Paden, OK 7486
Elem. (405) 932-4499
H.S. (405) 932-4465
FAX (405) 932-4132

Keith Kincade
Superintendent &
Elementary Principal

9-25-2006

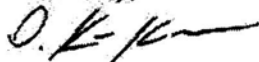
Dear USAC,

I am a New Superintendent at a small school in central Oklahoma. This past year I have spent a large portion of my time attending everything that I could to learn about your process that provides discounts to schools. It seems to me that Paden Public Schools is being "Picked on" by your agency because of our relationship with Universal Systems out of Oklahoma City. In the two years that I have been associated with Paden Public Schools, Universal Systems has been the only provider to "bid" for the services that we have advertised for. We are small, yet they have provided our school system with dependable and prompt service. *United*

We only want to provide the best for our students. We try to do everything by the book and to stay with your rules and laws. However in the past 12 months our form 470 has been denied and this years has been reviewed. I just would like to know what it takes to work within your rules with out being harassed. I may be wrong in feeling like I do but your processes are time consuming and I feel as if we are getting the run around by being transferred from one person's desk to another. *is being*

I realize we all have a job to do but we are honest and would like to continue to provide the best education that we can for our students. If that means putting up with your agencies bureaucratic runaround so be it.

Sincerely,



D. Keith Kincade, Supt.
Paden Public Schools

cc. Oklahoma Congressional Representatives

AR00032

Keith Kincade
Paden Public Schools
P.O. Box 370
10th & Elm
Paden, OK 74860

Billed Entity Number: 140366
Form 471 Application Number: 472668
Form 486 Application Number:



J.E. "Woody" Pryor ♦ Superintendent

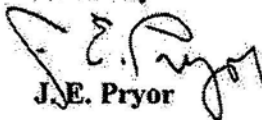
Kippy Pledici
School and Libraries Division

October 17, 2006

I am responding to your inquiry received October 9, 2006 concerning our appeal of Form 471 application #475214.

- 1. Please provide the name and title and employer of the individual who filled out and submitted Form 470# 548810000532934.**
Judy McGee, my secretary, filled out the Form 470 from the information I provided her. Her office is next to mine in the board of education office building and her contact information is 405-374-2416.
- 2. The specific location from which Form 470# 548810000532934 was filed and submitted.**
The Form 470 # 548810000532934 was submitted from Judy McGee's computer which is located directly behind her desk in her office in the board of education office at 306 West Main, Maud, OK 74854.
- 3. If a Service Provider employee assisted in the filing out and/or submitting Form 470 #548810000532934, please provide the name and title of the Service Provider's employee.**
There was no assistance from the Service Providers. The Form 470 was processed and submitted by my secretary Judy McGee per my instructions.
- 4. Please explain the reason for the IP address match.**
Attached are 2 documents pertinent to question number 4. This correspondence took place when we were previously questioned on May 31, 2006 in regard to the IP address match. One document is a letter to me from Alvin Myers of Unites Systems when I asked him how this was possible. The other document is 3 e-mail excerpts between Mr. Myers and Dolores Kibbler of USAC Compliance, Bill Johnson, director of One Net Operations and Ms. Kibbler, and Bill Johnson and Mr. Myers. Hopefully, these documents will provide the documentation needed to help close this matter.

Sincerely


J.E. Pryor

P.O. Box 130 ♦ Maud, OK 74854 ♦ Tele (405) 374-2416 ♦ Fax (405) 374-2628

AR00034

Mr. Pryor,

Over the last year, there have been several accusations towards United Systems, Inc. and our customers by USAC regarding IP addresses used to submit Form 470 applications. The accusation indicates that an IP address used to submit a Form 470 by an applicant matches the IP address that United Systems, Inc. used to submit an invoice. This would imply that United Systems, Inc. filed the Form 470 for an applicant and therefore tainted the competitive bid process.

Since we knew the Schools filed their Form 470s, which made this accusation physically impossible, we searched for possible legitimate causes of this condition. United Systems, Inc. uses OneNet as our Internet Service Provider (ISP) and OneNet services many of our customers, including Maud Public Schools. As with most ISPs, OneNet has standard ranges of public IP addresses for their customers. This could create similarities between our IP address and our customer's IP address. We surmised that instead of an exact match of IP address, maybe the SLD was seeing a near match of IP address and flagging that condition.

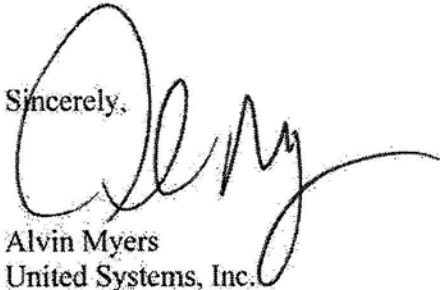
In any event, we approached our ISP with this question. We also invited the USAC compliance investigators to talk with our ISP.

Below are e-mail excerpts from those efforts. In essence, the representative from the ISP (Bill Johnson) is saying it is possible for the IP addresses from two or more of their customers to be similar, but not exact. In additional phone conversations, Bill Johnson (OneNet) said he felt that it would be impossible to track the originating IP addresses in the manner that the SLD was attempting with 100% accuracy because of caching and acceleration devices in place throughout the internet.

I hope this information will assist you in answering your inquiry. I would invite you to contact OneNet to get your own explanation if you desire. I would also suggest having the person who is managing this inquiry to contact OneNet via Bill Johnson or JoAnn Braniff.

Please let us know of any other way we can help.

Sincerely,



Alvin Myers
United Systems, Inc.

AR00035

E-mail from Alvin Myers (United Systems) to Dolores Kibbler (USAC Compliance)

Ms. Kibbler,

I appreciate you and Mr. Mendiola taking extraordinary steps to deal with our situation in a more expedient manner. In follow-up to the question on IP addresses posed during the conference call, I am providing contact information for OneNet below.

I believe the person you will want to talk to at OneNet is Bill Johnson, Director of Network Operations. His contact information is: Cell phone: (405)919-1718
E-mail: bjohnson@onenet.net

If Bill is not the person to give you the information you need, he can get you connected to the correct person within OneNet. I have tried to contact Bill to give him a heads-up, but he was busy. I have sent him an e-mail, but you might need to explain the situation to him.

If for some reason the information OneNet provides does not address your concerns, please let me know.

If possible, could you send us the IP address(es) in question so we can do some research on our end as well?

We look forward to hearing back from you.

E-mail from Bill Johnson (OneNet) to Dolores Kibbler (USAC Compliance)

OneNet provides Internet services for several hundred schools in Oklahoma. Each is assigned some number of IP addresses, most begin with 164.58.xxx.xxx or 156.110.xxx.xxx however, no two schools can be assigned the same IP address.

Whatever your question is about IP addresses at OneNet customer locations, I am confident we can answer it quickly. Please contact me at the address below, or JoAnn Braniff at jbraniff@onenet.net 405-225-9444.

E-mail from Bill Johnson (OneNet) to Alvin Myers (United Systems)

I just spoke with Deloris. She is clear now that two OneNet customers would have different public IP addresses. She indicated that some automatic system is indicating the same IP is being indicated when different IPs were expected. I assured her that if she would tell us any IP address (within our ranges), that OneNet could quickly identify "where" that IP is assigned.

She seem grateful for that information and seemed to have no further questions.



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2005-2006

November 15, 2006

Keith Kincade
Paden Public Schools
P.O. Box 370
10th & Elm
Paden, OK 74860

Re: Applicant Name: PADEN INDEP SCHOOL DISTRICT 14
Billed Entity Number: 140366
Form 471 Application Number: 472668
Funding Request Number(s): 1302225, 1302241, 1302253
Your Correspondence Dated: April 12, 2006

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2005 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1302225, 1302241, 1302253
Decision on Appeal: Denied
Explanation:

- Upon review of the appeal letter, the relevant facts and documentation, it was determined that the establishing Form 470 Number 475710000534753 for these requests was submitted from an IP Address that United Systems, Inc. used to submit a service provider invoice to USAC. United Systems, Inc. was selected as a vendor on your District's Form 471 Number 472766 FRNs 1302660 and 1302690. The establishing 470 for both FRNs awarded to United Systems, Inc. is also Form 470 Number 475710000534753. In accordance with the rules of the Support Mechanism, this is considered to be a conflict of interest and is in violation of the competitive bidding guidelines. On appeal, you were requested to provide documentation including an explanation for the IP address match. On September 25, 2006, you responded that Paden Public Schools, Universal

Systems and One-Net, the Internet Service Provider, had no explanation for the IP address match.

As is noted on the USAC website, applicants may not delegate the competitive evaluation role to anyone associated with a service provider. A "Fair" competition means that "all bidders are treated the same, and that no bidder has advance knowledge of the information contained in the RFP." Applicants and services providers should not have a relationship prior to competitive bidding "that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow them to unfairly compete in any way." A service provider, who will participate in the competitive process as a bidder, cannot complete the Form 470. The above findings indicate that the vendor was improperly involved in the competitive bidding process, which is a violation of the rules of this Support Mechanism. You have failed to provide evidence on appeal that USAC erred in its original decision. Consequently, your appeal is denied.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

J. E. Pryor
Maud Independent School District 117
P. O. Box 130
Maud, OK 74854



Billed Entity Number: 140360
Form 471 Application Number: 475214
Form 486 Application Number:



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2005-2006

November 15, 2006

J. E. Pryor
Maud Independent School District 117
P. O. Box 130
Maud, OK 74854

Re: Applicant Name: MAUD INDEP SCHOOL DISTRICT 117
Billed Entity Number: 140360
Form 471 Application Number: 475214
Funding Request Number(s): 1310797, 1310836
Your Correspondence Dated: May 04, 2006

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2005 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 1310797
Decision on Appeal: **Denied**
Explanation:

- The Form 470 was submitted from an IP address that was also used to submit a Service Provider (SP) invoice, indicating SP involvement in the Form 470. On October 9, 2006, the applicant was asked to provide details for the submission of the establishing Form 470 Number 548810000532934 for FRN 1310797. On October 17, 2006, the applicant provided the name and location of the person submitting the referenced Form 470 and indicated that there was no Service Provider involvement in the filing or submission of that form. However, the applicant failed to provide an explanation for the IP address match between the referenced Form 470 and Service Provider Invoices submitted by United Systems (SPIN 143004698). Applicants cannot abrogate their responsibility for conducting a fair and open competitive bidding process free from SP involvement. Therefore, the appeal for FRN 1310797 is denied.

Funding Request Number(s): 1310836
Decision on Appeal: Canceled
Explanation:

- The funding request cited above was canceled at your request during review of the appeal.

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

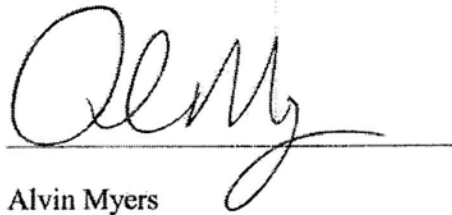
We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company

DECLARATION OF UNITED SYSTEMS, INC.

1. My name is Alvin Myers. I am the President and COO, of United Systems, Inc. My office address is 4335 N. Classen, Oklahoma City, OK 73118. I submit this declaration in support of the Consolidated Request for Review, dated January 16, 2007 ("Request for Review").
2. All of the facts set forth in the Request for Review in the section titled "Statement of Facts" including the information pertaining to the competitive bidding process undertaken by United Systems, Inc. under the E-rate Program, are true and correct to the best of my knowledge.
3. I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 15th day of January, 2007.



Alvin Myers